

## Market Update

Rupiah asset classes closed lower on Tuesday. The JCI declined by -0.15% to 6,113.11 with foreign reported net buy of +Rp191.63bn. While, regional stock markets closed mixed with the NKY -0.19%, HSI +1.20% and Kospi -1.14%.

INDOGB 10-yr yield rose to 6.28%. While, UST 10-yr yield jumped to 1.55%, highest level since June, as inflation that may last longer than anticipated. Furthermore, US Treasury Secretary Janet Yellen said U.S. may exhaust cash by Oct 18 barring debt ceiling rise. USD/IDR appreciated by +0.48% to 14,319.

Total incoming bids at Tuesday bond auction slumped to Rp58.83tn (prev. Rp80.66tn). All series showed a decline in demand with the long tenor series, FR0089 (30Y), recorded the biggest declining demand. The government won Rp12tn of total incoming bids. The weighted government cost of fund fell to 5.27% (prev. Rp5.49%) as the average tenor was down to 9.33-yr (prev. 10.97-yr).

### Government Bond Ownership As of Sep 23, 2021 (in Trillion)

| Holders                  | 2020            | 30-Jul-21       | 23-Sep-21       |
|--------------------------|-----------------|-----------------|-----------------|
| Banks                    | 1,375.57        | 1,368.45        | 1,501.17        |
| (of percentage %)        | 35.54           | 31.92           | 33.75           |
| Bank Indonesia           | 454.36          | 689.52          | 652.19          |
| (of percentage %)        | 11.74           | 16.08           | 14.66           |
| Mutual Fund              | 161.33          | 136.21          | 144.98          |
| (of percentage %)        | 4.17            | 3.18            | 3.26            |
| Insurance & Pension Fund | 542.82          | 625.30          | 640.74          |
| (of percentage %)        | 14.02           | 14.59           | 14.40           |
| Foreign Investor         | 973.91          | 965.78          | 967.69          |
| (of percentage %)        | 25.16           | 22.53           | 21.75           |
| Individual Investors     | 131.24          | 198.88          | 220.06          |
| (of percentage %)        | 3.39            | 4.64            | 4.95            |
| Others                   | 231.54          | 303.01          | 321.62          |
| (of percentage %)        | 5.98            | 7.07            | 7.23            |
| <b>Total</b>             | <b>3,870.76</b> | <b>4,287.16</b> | <b>4,448.46</b> |

Source: DJPPR

### 10-Year Government Bond Yields

| Country     | S&P Rating | 28-Sep | (-1 day) | Chg. (bps) |
|-------------|------------|--------|----------|------------|
| US          | AA+        | 1.55   | 1.49     | 6          |
| UK          | AA         | 0.95   | 0.92     | 3          |
| Germany     | AAA        | -0.22  | -0.23    | 1          |
| France      | AA         | 0.12   | 0.11     | 1          |
| Brazil      | BB-        | 11.08  | 10.95    | 13         |
| India       | BBB-       | 6.21   | 6.18     | 3          |
| China       | A+         | 2.88   | 2.88     | 0          |
| South Korea | AA         | 2.13   | 2.10     | 3          |
| Thailand    | BBB+       | 1.83   | 1.82     | 1          |
| Malaysia    | A-         | 3.45   | 3.43     | 2          |
| Singapore   | AAA        | 1.56   | 1.49     | 6          |
| Indonesia   | BBB        | 6.28   | 6.26     | 2          |

Source: Bloomberg

### Spot Forex

|         | 28-Sep | (-1 day) | (-1 week) |
|---------|--------|----------|-----------|
| USD/IDR | 14,319 | 14,251   | 14,246    |
| EUR/IDR | 16,675 | 16,675   | 16,694    |
| GBP/IDR | 19,321 | 19,321   | 19,449    |
| SGD/IDR | 10,515 | 10,515   | 10,528    |
| CNY/IDR | 2,216  | 2,216    | 2,203     |

Source: Bloomberg

### Global Stock Markets

| Index     | Last Price | Chg. (%) | % MTD  | % YTD   |
|-----------|------------|----------|--------|---------|
| S&P 500   | 4,352.63   | -2.04%   | -3.79% | 17.62%  |
| DJIA      | 34,299.99  | -1.63%   | -2.87% | 13.49%  |
| NASDAQ    | 14,546.68  | -2.83%   | -4.98% | 14.55%  |
| DAX       | 15,248.56  | -2.09%   | -3.64% | 11.09%  |
| FTSE      | 7,028.10   | -0.50%   | -1.70% | 6.94%   |
| CAC 40    | 6,506.50   | -2.17%   | -3.73% | 16.42%  |
| Nikkei    | 30,183.96  | -0.19%   | 6.09%  | 10.73%  |
| Hang Seng | 24,500.39  | 1.20%    | -5.87% | -10.82% |
| Kospi     | 3,097.92   | -1.14%   | -3.40% | 5.21%   |
| JCI       | 6,113.11   | -0.15%   | 0.36%  | 0.13%   |

Source: Bloomberg

### Macroeconomic Data

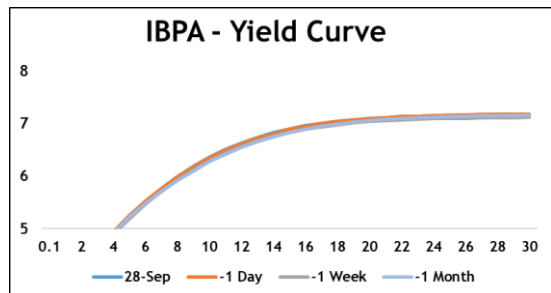
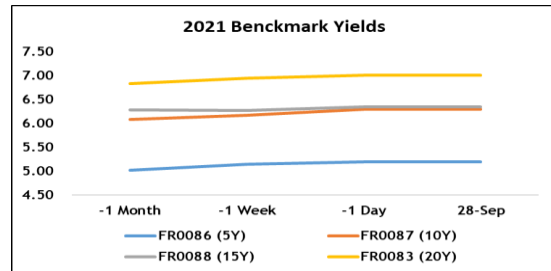
|                            | Aug-21 | Jul-21 | Jun-21 |
|----------------------------|--------|--------|--------|
| Consumer Price Index (MoM) | 0.03   | 0.08   | -0.16  |
| Consumer Price Index (YoY) | 1.59   | 1.52   | 1.33   |
| Core Inflation (YoY)       | 1.30   | 1.40   | 1.49   |
| BI 7-Day RR Rate (%)       | 3.50   | 3.50   | 3.50   |
| Foreign Reserve (US\$ Bn)  | 144.8  | 137.3  | 137.1  |

Source: Bloomberg

### 2021 Benchmark

| Series       | 28-Sep | (-1 day) | Chg. (bps) | Yield (%) |
|--------------|--------|----------|------------|-----------|
| FR0086 (5Y)  | 101.25 | 101.30   | -5         | 5.187     |
| FR0087 (10Y) | 101.40 | 101.70   | -30        | 6.298     |
| FR0088 (15Y) | 99.05  | 99.15    | -10        | 6.349     |
| FR0083 (20Y) | 104.90 | 105.15   | -25        | 7.023     |

Source: PLTE



### Indonesia Government Bond Yields

| Maturities (Year) | IDR    |          |               | USD       |          |               |
|-------------------|--------|----------|---------------|-----------|----------|---------------|
|                   | 28-Sep | (-1 day) | Chg. (in bps) | Yield (%) | (-1 day) | Chg. (in bps) |
| 01                | 3.07   | 3.05     | 2             | 0.70      | 0.70     | -1            |
| 02                | 3.87   | 3.86     | 1             | 0.72      | 0.69     | 3             |
| 03                | 4.32   | 4.31     | 1             | 0.81      | 0.80     | 1             |
| 04                | 4.88   | 4.87     | 1             | 1.18      | 1.16     | 3             |
| 05                | 5.19   | 5.19     | 0             | 1.44      | 1.39     | 5             |
| 06                | 5.38   | 5.38     | 0             | 1.85      | 1.81     | 4             |
| 07                | 6.05   | 6.06     | -1            | 2.03      | 1.97     | 5             |
| 08                | 6.05   | 6.05     | 0             | 2.24      | 2.18     | 6             |
| 09                | 6.26   | 6.25     | 1             | 1.90      | 1.91     | -1            |
| 10                | 6.19   | 6.26     | -7            | 2.33      | 2.27     | 6             |
| 15                | 6.35   | 6.32     | 2             | N/A       | N/A      | N/A           |
| 20                | 7.01   | 7.01     | 0             | 3.66      | 3.61     | 5             |
| 30                | 6.82   | 6.82     | 0             | 3.44      | 3.41     | 4             |

Source: Bloomberg

### Indonesia Government International Bond Yields

| INDON    | 28-Sep | (-1 day) | Chg. (bps) |
|----------|--------|----------|------------|
| INDON-26 | 1.40   | 1.39     | 2          |
| INDON-31 | 2.33   | 2.29     | 4          |
| INDON-46 | 3.69   | 3.65     | 4          |
| INDON-51 | 3.33   | 3.29     | 4          |

Source: Bloomberg

### Most Active Government Bonds

| Series | TTM   | Price  | Yield (%) | Volume (IDR bn) |
|--------|-------|--------|-----------|-----------------|
| FR0088 | 14.72 | 99.05  | 6.349     | 550.58          |
| FR0087 | 9.38  | 101.40 | 6.298     | 4025.23         |
| FR0092 | 20.72 | 102.90 | 6.859     | 596.71          |
| FR0091 | 10.55 | 101.70 | 6.153     | 1353.69         |
| FR0076 | 26.64 | 103.00 | 7.121     | 175.96          |

Source: PLTE

### Most Active Corporate Bonds

| Series      | TTM  | Rating   | Price  | Yield (%) | Volume (IDR bn) |
|-------------|------|----------|--------|-----------|-----------------|
| PNMPO3ACN1  | 0.66 | idA      | 103.30 | 4.403     | 34              |
| PNBN025BCN2 | 2.46 | idA+     | 102.45 | 9.128     | 31.45           |
| BAFI01BCN3  | 3    | AAA(idn) | 99.95  | 5.768     | 345             |
| BIIF03CN1   | 2.73 | AA+(idn) | 101.75 | 5.604     | 4               |
| SMII02BCN3  | 1.08 | idAAA    | 104.25 | 3.727     | 80              |

Source: PLTE

## Government Bond Prices

Closing Price: 28-Sep-2021

| Series | Maturity  | TTM   | Coupon  | Price  | YTM    | Est. Yield | Fair Price | Spread (bps) |
|--------|-----------|-------|---------|--------|--------|------------|------------|--------------|
| FR0061 | 15-May-22 | 0.63  | 7.000%  | 102.41 | 3.072% | 2.984%     | 102.49     | 8            |
| FR0035 | 15-Jun-22 | 0.71  | 12.900% | 106.69 | 3.244% | 3.057%     | 106.89     | 20           |
| FR0043 | 15-Jul-22 | 0.79  | 10.250% | 105.69 | 3.093% | 3.125%     | 105.56     | -13          |
| FR0063 | 15-May-23 | 1.63  | 5.625%  | 102.74 | 3.869% | 3.746%     | 102.94     | 21           |
| FR0046 | 15-Jul-23 | 1.79  | 9.500%  | 109.40 | 4.047% | 3.856%     | 109.70     | 30           |
| FR0039 | 15-Aug-23 | 1.88  | 11.750% | 113.84 | 4.010% | 3.910%     | 114.07     | 24           |
| FR0070 | 15-Mar-24 | 2.46  | 8.375%  | 109.36 | 4.320% | 4.255%     | 109.54     | 18           |
| FR0077 | 15-May-24 | 2.63  | 8.125%  | 109.34 | 4.319% | 4.345%     | 109.29     | -5           |
| FR0044 | 15-Sep-24 | 2.97  | 10.000% | 115.03 | 4.516% | 4.517%     | 115.05     | 2            |
| FR0081 | 15-Jun-25 | 3.72  | 6.500%  | 105.41 | 4.884% | 4.855%     | 105.52     | 11           |
| FR0040 | 15-Sep-25 | 3.97  | 11.000% | 121.46 | 4.960% | 4.957%     | 121.50     | 4            |
| FR0084 | 15-Feb-26 | 4.39  | 7.250%  | 108.04 | 5.172% | 5.114%     | 108.28     | 24           |
| FR0086 | 15-Apr-26 | 4.55  | 5.500%  | 101.23 | 5.193% | 5.171%     | 101.31     | 9            |
| FR0037 | 15-Sep-26 | 4.97  | 12.000% | 129.35 | 5.209% | 5.311%     | 128.85     | -50          |
| FR0056 | 15-Sep-26 | 4.97  | 8.375%  | 113.90 | 5.162% | 5.311%     | 113.22     | -68          |
| FR0090 | 15-Apr-27 | 5.55  | 5.125%  | 100.03 | 5.119% | 5.485%     | 98.30      | -173         |
| FR0059 | 15-May-27 | 5.63  | 7.000%  | 107.77 | 5.378% | 5.508%     | 107.13     | -64          |
| FR0042 | 15-Jul-27 | 5.80  | 10.250% | 123.80 | 5.419% | 5.553%     | 122.99     | -81          |
| FR0047 | 15-Feb-28 | 6.39  | 10.000% | 124.25 | 5.455% | 5.702%     | 122.71     | -154         |
| FR0064 | 15-May-28 | 6.63  | 6.125%  | 102.25 | 5.711% | 5.760%     | 101.98     | -27          |
| FR0071 | 15-Mar-29 | 7.47  | 9.000%  | 117.51 | 6.047% | 5.935%     | 118.26     | 75           |
| FR0078 | 15-May-29 | 7.63  | 8.250%  | 113.34 | 6.039% | 5.968%     | 113.82     | 47           |
| FR0052 | 15-Aug-30 | 8.88  | 10.500% | 128.56 | 6.257% | 6.180%     | 129.18     | 62           |
| FR0082 | 15-Sep-30 | 8.97  | 7.000%  | 105.68 | 6.165% | 6.193%     | 105.49     | -19          |
| FR0087 | 15-Feb-31 | 9.39  | 6.500%  | 101.39 | 6.300% | 6.253%     | 101.72     | 34           |
| FR0085 | 15-Apr-31 | 9.55  | 7.750%  | 110.54 | 6.265% | 6.275%     | 110.47     | -7           |
| FR0073 | 15-May-31 | 9.63  | 8.750%  | 117.82 | 6.256% | 6.286%     | 117.59     | -23          |
| FR0054 | 15-Jul-31 | 9.80  | 9.500%  | 122.62 | 6.920% | 6.308%     | 123.04     | 42           |
| FR0091 | 15-Apr-32 | 10.55 | 6.375%  | 101.41 | 6.920% | 6.401%     | 99.80      | -160         |
| FR0058 | 15-Jun-32 | 10.72 | 8.250%  | 113.42 | 6.490% | 6.420%     | 114.01     | 59           |
| FR0074 | 15-Aug-32 | 10.89 | 7.500%  | 107.57 | 6.517% | 6.438%     | 108.20     | 64           |
| FR0065 | 15-May-33 | 11.64 | 6.625%  | 100.61 | 6.548% | 6.516%     | 100.87     | 26           |
| FR0068 | 15-Mar-34 | 12.47 | 8.375%  | 114.03 | 6.696% | 6.593%     | 114.99     | 95           |
| FR0080 | 15-Jun-35 | 13.72 | 7.500%  | 106.76 | 6.735% | 6.692%     | 107.16     | 40           |
| FR0072 | 15-May-36 | 14.64 | 8.250%  | 112.52 | 6.877% | 6.756%     | 113.74     | 122          |
| FR0088 | 15-Jun-36 | 14.72 | 6.250%  | 99.08  | 6.345% | 6.761%     | 95.27      | -381         |
| FR0045 | 15-May-37 | 15.64 | 9.750%  | 125.13 | 7.067% | 6.817%     | 127.92     | 280          |
| FR0075 | 15-May-38 | 16.64 | 7.500%  | 104.52 | 7.033% | 6.871%     | 106.17     | 165          |
| FR0050 | 15-Jul-38 | 16.81 | 10.500% | 133.00 | 7.105% | 6.879%     | 135.71     | 271          |
| FR0079 | 15-Apr-39 | 17.56 | 8.375%  | 113.25 | 7.046% | 6.915%     | 114.70     | 145          |
| FR0083 | 15-Apr-40 | 18.56 | 7.500%  | 105.02 | 7.012% | 6.959%     | 105.58     | 56           |
| FR0057 | 15-May-41 | 19.64 | 9.500%  | 124.57 | 7.151% | 7.001%     | 126.43     | 186          |
| FR0062 | 15-Apr-42 | 20.56 | 6.375%  | 96.75  | 6.667% | 7.034%     | 92.89      | -386         |
| FR0092 | 15-Jun-42 | 20.73 | 7.125%  | 102.89 | 6.860% | 7.039%     | 100.91     | -198         |
| FR0067 | 15-Feb-44 | 22.40 | 8.750%  | 117.23 | 7.189% | 7.091%     | 118.46     | 123          |
| FR0076 | 15-May-48 | 26.65 | 7.38%   | 103.14 | 7.110% | 7.193%     | 102.13     | -101         |
| FR0089 | 15-Aug-51 | 29.90 | 6.88%   | 100.71 | 6.818% | 7.252%     | 95.41      | -530         |

Source: IBPA, PLTE, Bloomberg, &amp; MCS Estimates

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